

SAMPLE**Section 3 Plan****MUNICIPALITY'S NAME:** _____

NAME OF PROJECT	FUNDING SOURCE	FISCAL YEAR	AMOUNT
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

The Plan will serve as the Section 3 Plan for the above developments in compliance with the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended.

The purpose of Section 3 of the Housing and Urban Development Act of 1968, as amended (12. U.S.C. 1701u) (Section 3), is to ensure that training, employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State and Local laws and regulations, be directed to the greatest extent possible to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns, which provide economic opportunities to low- and very low-income persons.

NUMERICAL GOALS FOR TRAINING AND EMPLOYMENT OPPORTUNITIES

The _____ (municipality's name) will, to the greatest extent feasible, when awarding contracts or providing training and/or employment opportunities for activities or projects subject to the requirements of Section 3, strive to comply with the goals established in this section.

The numerical goals established in this section represent minimum numerical targets.

Training and employment opportunities will be made available to Section 3 residents as follows:

30 percent of the aggregate number of new hires/training opportunities resulting from funds awarded for FY___ and continuing thereafter. Number of Section 3 jobs/training opportunities anticipated _____.

PREFERENCE FOR SECTION 3 RESIDENTS IN TRAINING AND EMPLOYMENT OPPORTUNITIES

In providing training and employment opportunities, generated from the expenditure of Section 3 activities to Section 3 residents, the following order of preference will be followed:

- (i) First priority will be given to Section 3 residents from the service area or neighborhood in which the Section 3 covered project is located.
- (ii) Second priority will be given to participants in HUD Youthbuild Programs.
- (iii) Third priority will be given to homeless persons residing in the area or neighborhood in which the Section 3 covered project is located for housing constructed under the Stewart B. McKinney Homeless Assistance Act.
- (iv) Other Section 3 residents.

LIST OF STRATEGIES TO BE ADOPTED FOR COMPLIANCE WITH THE STATED EMPLOYMENT, TRAINING AND CONTRACTING GOALS

In compliance with the Section 3 Plan requirements, the applicant must develop a list of strategies to be adopted for compliance with the stated employment, training and contracting goals. When prepare the list, please refer to Examples of Efforts to Offer Training Employment Opportunities to Section 3 Residents.

NUMERICAL GOALS FOR CONTRACTING ACTIVITIES:

These goals apply to contract awards in excess of \$100,000 in connection with a Section 3 eligible project, and it applies to developers, contractors and subcontractors.

The _____ commits to award to Section 3 business concerns:

1. At least 10 percent of the total dollar amount of all Section 3 covered contracts for building trades work arising in connection with housing rehabilitation, housing construction and other public construction; and
2. At least 3 percent of the total dollar amount of all other Section 3 covered contracts.

PREFERENCE FOR SECTION 3 BUSINESS CONCERNS:

The following order of preference will be followed when providing contracting opportunities to Section 3 businesses:

- (i) First priority will be given to Section 3 business concerns that provide economic opportunities for Section 3 residents in the service area or neighborhood in which the Section 3 covered project is located.
- (ii) Second priority will be given to applicants selected to carry out HUD Youthbuild Programs.
- (iii) Other Section 3 Residents.

In compliance with the Section 3 Plan requirements, the applicant must develop a list of strategies to be adopted for compliance with the stated employment, training and contracting goals. Contracts in excess of \$100,000 must include the Section 3 Clause.

If federal and state funds are combined to fund an eligible Section 3 project, the combined amount is subject to the Section 3 requirements.

In compliance with the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, we the undersigned have read and have received a copy of the Section 3 Plan for this project. We acknowledge being a party to this Plan and further pledge our commitment to adhere to the objectives set forth.

Municipality's Chief Executive Officer

Date

Section 3 Contractor Certification

Project Name: _____

Developer's Name: _____

I understand that my contract with _____ (name of developer/contractor) is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended AND to the Section 3 Plan for this project.

I certify that the firm of _____ (company's name) is a bonafide Section 3 company, and that it meets the following definition of a Section 3 business (check one):

- 1.** 51% or more of the ownership of this company is owned by Section 3 residents, as defined by the developer of this project.
- 2.** Currently, at least 30% of the employees of the company are Section 3 residents, as defined by the developer of this project.
- 3.** At least 30% of the employees of the company were Section 3 residents, as defined by the developer of this project, within three years of the date of first employment with this company.
- 4.** I commit to subcontract at least 25% of the total value of this contract to Section 3 subcontractors, as these companies are defined above, and to provide the necessary evidence to substantiate this.

Signature of Chief Executive Officer

Date